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00-CV-01806-DOCTR

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CYBERSPACE.COM, LLC, *et al.*,

Defendants.

Case No. C00-1806L

ORDER REGARDING
AMOUNT OF CONSUMER
INJURY AND
DISBURSEMENT OF
FUNDS

This matter comes before the Court to determine the amount of redress to be returned to consumers who were injured by solicitation checks that the Court found deceptive under Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a). See "Order Granting in Part Plaintiff's Motion for Summary Judgment and Denying Defendants' Motions for Summary Judgment," dated July 10, 2002. In granting the Federal Trade Commission's ("FTC") motion for summary judgment as to liability, the Court held that:

1. the FTC is entitled to a summary determination that the check/invoice solicitations mailed by defendants Cyberspace.com, LLC ("Cyberspace"), Essex

ORDER REGARDING AMOUNT OF CONSUMER
INJURY AND METHOD OF REDRESS

1 Enterprises, LLC ("Essex" or "YP.com"), Surfnet Services, LLC ("Surfnet"), and
 2 Splashnet.net, LLC ("Splashnet") violated Section 5 of the FTC Act;

3 2. all defendants are jointly and severally liable for the corporate misconduct of
 4 the four sister companies; and

5 3. the proper measure of consumer restitution is the amount that will restore the
 6 victims to the *status quo ante*, not what the defendants received as profit.¹

7 The FTC, defendants Ian Eisenberg, French Dreams, and Olympic
 8 Telecommunications ("EFO defendants"), and defendants Chris Hebard and Coto
 9 Settlement ("Hebard defendants"), filed memoranda and supporting exhibits regarding
 10 the calculation of damages in this case. After evaluating the submissions, the Court
 11 scheduled a one-day hearing at which the parties presented additional evidence related to
 12 the amount of consumer injury and the method of redress. Having considered all of the
 13 information presented, including the post-trial memoranda submitted by the parties, the
 14 Court finds that the FTC has sustained its burden of showing that the amount of
 15 unreimbursed consumer injury is \$17,676,896.

16 17 **I. Determining The Amount of Consumer Redress**

18 The FTC has the burden of showing that its calculation of consumer injury
 19 "reasonably approximate[s]" the amount of consumers' net losses. FTC v. Febre, 128
 20 F.3d 530, 535 (7th Cir. 1997); FTC v. Medicor, LLC, 217 F. Supp.2d 1048, 1058 (C.D.
 21 Cal. 2002). Once the FTC has shown its calculation of consumer injury is reasonable,
 22 the burden then shifts to the defendants to show that the figure is inaccurate. Febre, 128
 23 F.3d at 535. Where defendants' records make it impossible to determine with certainty
 24 the exact amount of injury suffered by consumers, "the risk of uncertainty should fall on
 25 the wrongdoer whose illegal conduct created the uncertainty." Febre, 128 F.3d at 535
 26 (citing SEC v. First City Financial Corp., Ltd., 890 F.2d 1215, 1232 (D.C. Cir. 1989)).

27
 28 ¹ Defendants' various requests that the Court reconsider the liability determinations in
 this case are both untimely and unpersuasive. The requests for reconsideration are DENIED.

1 Defendants used the telephone billing system to collect payment from consumers
2 who cashed defendants' solicitation checks. Defendant Olympic Telecommunications,
3 Inc. ("Olympic") sent telephone numbers and the billing amounts associated with
4 Cyberspace, YP.Com, and Surfnct to telephone companies ("local exchange carriers" or
5 "LECs") for placement on the telephone bills of their "customers." Defendants used
6 Integretel, an unrelated company, to send the telephone numbers and billing amounts
7 associated with Splashnet to the LECs.

8 The parties agree that the correct formula for determining the amount of
9 unreimbursed consumer injury is the total amount consumers paid less what they
10 received in value from the defendants. Defendants vehemently disagree with the FTC's
11 reliance on defendant Olympic's payment summaries to calculate the total amount paid
12 by consumers. Defendants argue that Olympic's payment summaries are virtually
13 worthless and should be ignored when calculating consumer loss. Their position is
14 unpersuasive on both factual and legal grounds. During the relevant period, defendant
15 Eisenberg not only wanted the payment summaries to be accurate, but employed
16 individuals who reviewed the summaries for both accuracy and content. Defendants do
17 not dispute that the summaries were used in the normal course of their business: Olympic
18 provided the summaries to Cyberspace, YP.com, and Surfnct as a form of accounting
19 and kept and provided similar records to entities that were not wholly-owned by
20 defendants. In addition, even Mr. Ratner relies on some of the data included in the
21 summaries to calculate the amount sent to the LECs.

22 The Court is willing to assume, for purposes of this proceeding, that Olympic's
23 records were not as accurate as one would expect of a business that sold its services to
24 others. Nevertheless, there is no reason to assume that an extrapolation from a different
25 aggregator's records with a different target audience and different customer service
26 standards would result in a more accurate damage calculation than the numbers taken
27 from Olympic's own business records. In addition, to the extent defendants' billing-
28 related records for Cyberspace, YP.com, and Surfnct are incomplete because Olympic

1 stopped generating summaries after January 2001, defendants must bear the
2 consequences of the resulting uncertainties. Febre, 128 F.3d at 535.

3 The Court finds that Olympic's payment summaries and Integretel's records²
4 provide reasonable starting points from which to calculate the amount of charges
5 defendants sent to the LECs for placement on consumers' monthly telephone bills, any
6 amounts that were not billed to or which could not be collected from consumers, and any
7 amounts Olympic returned to consumers in the form of credits or refund checks.
8 Taking into account FTC's arithmetic error in calculating amounts that were not billed or
9 were uncollectible, the amount paid by consumers in the first instance is \$21,812,583.
10 As recognized by the FTC, the amount paid by consumers must be further reduced by
11 anything of value consumers received from defendants. In this case, the \$21,812,583
12 must be reduced by the value of the solicitation checks cashed by consumers
13 (\$1,162,177) and the value of the Internet access used by the few consumers who
14 understood the nature of defendants' offer (\$69,155). The Court finds that \$20,581,251
15 reasonably approximates the amount of consumer injury in this case.

16 Because the FTC's calculation of consumer injury is reasonable, the burden then
17 shifts to the defendants to show that the figure is inaccurate. Defendants argue that the
18 FTC's "amount paid" calculation is overstated because (1) it does not reflect refunds
19 issued by the programs themselves (as opposed to Olympic) and (2) it does not reflect
20 consumer recourse, bad debt, and other charges that were reported by the LECs after
21 Olympic stopped generating payment summaries at the end of 2000. Defendants have
22 shown that, in addition to the \$329,313 in refunds issued by defendant Olympic, another
23 \$2,904,354 in refunds were issued by defendants Cyberspace, Essex, and Splashnet but
24 not included in the payment summaries. Mr. Reese's testimony regarding this subject is
25 ambiguous and the Court finds Mr. Ratner's analysis and the evidence in support thereof

27 ² The Hebard defendants argue that the FTC waived any claim regarding Integretel-
28 related consumer losses because it did not present supporting evidence at the January 5, 2004,
trial. The Integretel numbers have never been seriously disputed, however, and the Court did not
request additional evidence on that subject.

1 persuasive. With regards to the post-2000 information, although evidence of bad debt
2 and other charges incurred after Olympic stopped generating payment summaries would
3 be relevant in calculating the total amount that was actually paid by consumers, the
4 primary evidence defendants provided in support of this argument is the declaration of
5 defendant Eisenberg. Despite having the burden of proving inaccuracies in the FTC's
6 calculation, Eisenberg offers no documentary evidence of such late reports, no specifics
7 regarding any particular deduction, and no estimate regarding the amount of the FTC's
8 alleged error. Defendants have not, therefore, shown that the FTC's figures should be
9 modified to take into account any post-2000 LEC invoices.

10 Having considered all of the evidence produced by the parties and the remainder
11 of the file, the Court finds that, although the FTC's consumer injury calculation of
12 \$20,581,251 "reasonably approximates" the amount of consumers' net losses, defendants
13 have shown that the figure is inaccurate by \$2,904,354. Therefore, the Court will enter
14 judgment for the FTC in the amount of \$17,676,897. All defendants are jointly and
15 severally liable for payment of this amount as set forth in Section III of this Order.

16 17 **II. Evidentiary Objections**

18 Most of defendants' evidentiary objections border on the frivolous and are
19 overruled for the following reasons:

20 **1. Ex. 400; Trial Ex. 12 (Declaration of J. Crowley)**

21 Mr. Crowley's testimony presents a summary admissible under Fed. R. Ev.
22 1006. The underlying documents, which are themselves summaries, were produced by
23 defendants and are admissible as admissions of a party opponent under Fed. R. Ev.
24 801(d)(2). No additional personal knowledge or expertise is required.

25 **2. Ex. 402, Trial Ex. 13 (Declaration of L. Tobin)**

26 The Court has already determined that the Starnet documents on which Ms.
27 Tobin's data compilation is based are admissible as business records under Fed. R. Ev.
28 803(6). The two monthly printouts have been authenticated and were available to
defendants.

1 3. Ex. 403 (Marchlewicz Deposition Testimony)

2 Mr. Marchlewicz was defendant Olympic's designee under Rule 30(b)(6).
3 Defendants cannot now contest his lack of personal knowledge.

4 4. Ex. 404 (Eisenberg Deposition Testimony)

5 Mr. Eisenberg was another Olympic designee under Rule 30(b)(6). Having
6 offered him to testify on behalf of the corporation, defendants cannot now contest his
7 lack of personal knowledge.

8 5. Ex. 405 (Reese Deposition Testimony)

9 Defendants object to Mr. Reese's testimony regarding monthly payment
10 summaries. Mr. Reese has personal knowledge regarding how the summaries were
11 created and how they should be interpreted. The summaries were properly identified and
12 are admissible as admissions of a party opponent under Fed. R. Ev. 801(d)(2).

13 6. Ex. 411 (Van Deren Deposition Testimony)

14 In response to defendants' objection, the FTC provided the foundational
15 testimony required by Fed. R. Ev. 602.

16 7. Trial Ex. 14 (Declaration of T. Savell)

17 Ms. Savell's position as manager of the redress program, her familiarity with
18 the contracts and the requirements imposed on the contractors, and her trial testimony
19 establish the necessary foundation for her testimony.

20 8. Trial Ex. 18 (Cyberspace Offering Circular)

21 The Court already overruled defendants' objections to the offering circular
22 when it was offered in support of the FTC's motion for summary judgment as Ex. 95.

23 9. Trial Ex. 19 (Starnet Invoices)

24 The Court already overruled defendants' objections to the Starnet invoices
25 when they were offered in support of the FTC's motion for summary judgment as Ex. 4.
26 Defendants' request for reconsideration of that ruling is denied.

27 10. Trial Ex. 22 (Cyberspace Customer Service Manual)

28 Mr. Eisenberg adequately authenticated this document during his deposition
and it was admitted at trial.

1 11. Trial Ex. 23 (July 22, 2003 E-Mail from Gene Hirai)

2 This document is admitted, not to establish the truth of the matters asserted
3 therein, but to show that defendants relied on the payment summaries prepared by
4 Olympic in the ordinary course of their business.

5 12. Trial Ex. 26 (June 3, 2003 E-Mail from Ken Dawson)

6 As stated at trial, this exhibit is admitted, not for the truth of the numbers
7 contained therein, but simply to complete the references in Mr. Ratner's testimony.

8 13. Trial Ex. 27 (Splashnet Summary)

9 As stated at trial, this exhibit is admitted, not for the truth of the numbers
10 contained therein, but simply to complete the references in Mr. Ratner's testimony.

11 12 **III. Distribution of Funds to Injured Consumers**

13 The FTC asserts that it intends to use all of the \$17,676,897 to provide redress to
14 injured consumers, but wants authorization to use any funds that cannot be distributed to
15 consumers in whatever manner it sees fit: the FTC specifically mentions the possibility
16 of funding corrective consumer information efforts and depositing excess funds into the
17 United States Treasury. Defendants argue that such an order would be impermissibly
18 punitive because it is highly unlikely, given the state of defendants' records and the
19 passage of time, that the entire \$17,676,897 will be distributed to consumers.
20 Recognizing that depositing funds in the United States Treasury is a form of
21 disgorgement that may run afoul of the statute (see FTC v. Figgie Int'l, Inc., 994 F.2d
22 595, 607-08 (9th Cir. 1993)), the FTC attempts to deal with this problem by seeking an
23 express finding that "all amounts paid by defendants and collected by the FTC pursuant
24 this Order constitute equitable relief solely remedial in nature for purposes of redress and
25 are not a fine, penalty, punitive assessment, or forfeiture." Proposed Order Entering a
26 Monetary Judgment for the FTC (filed 4/28/03). The propriety of such a finding,
27 especially where the FTC acknowledges the possibility that redress will be difficult and
28 that a substantial portion of the damages in this case may never find its way to
consumers, is doubtful.

1 Having considered the parties' respective positions and presided at the trial of this
2 matter, the Court finds that defendants are jointly and severally liable for the full costs of
3 identifying consumers entitled to redress, reimbursing their losses, and distributing funds
4 up to and including the full amount of their liability. In order to accomplish this goal,
5 defendants shall, within 60 days of the date of this Order, pay to the FTC the amount of
6 \$17,676,897 which shall be deposited into a fund administered by the FTC or, in the
7 FTC's sole discretion, its designated agent. If defendants cannot pay the full amount,
8 they shall pay as much as they are able and shall provide sworn financial statements in
9 the form of Attachment A to this Order by the end of the 60 day period. If full payment
10 is not received by the FTC within 60 days from the date of this Order, defendants shall
11 sit for asset depositions pursuant to the Federal Rules of Civil Procedure.

12 Defendants shall make a concerted and good faith effort to produce all relevant
13 information that might enable the FTC to identify, locate, and reimburse the consumers
14 who were injured by defendants' scheme. Within 60 days of the date of this Order,
15 defendants shall provide copies of any and all documents, computer files, or other data
16 collections that might be helpful in identifying and locating defendants' customers
17 and/or calculating the amount of consumer redress owed to each such person.³ Utilizing
18 the information produced by defendants, the FTC shall contact injured consumers
19 regarding the availability of a refund and shall specify the method by which
20 reimbursement can be obtained. The costs of contacting injured consumers and
21 distributing funds shall be paid out of the \$17,676,897 fund. If, after the FTC has made
22 all reasonable attempts to identify and locate individuals entitled to redress (which the
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27 ³ Defendants need not produce documents that were produced during discovery in this
28 matter. However, if defendants cannot affirmatively show that a particular file, document, or
data collection was produced to the FTC during the course of this litigation, they shall produce it
at this time.

1 Court anticipates will take less than two years), there are additional funds remaining in
2 the account, that money shall be returned to defendants.⁴

3 In adopting this method of distributing funds to injured consumers, the Court is
4 aware that defendants, by failing to cooperate fully, could greatly reduce the number of
5 claims filed against the fund, thereby increasing the likelihood that they would get a
6 refund. The difficulties encountered during discovery in the above-captioned matter
7 make this risk a very real concern. The Court shall retain jurisdiction over this matter for
8 the purpose of enabling the parties to apply to the Court for such further orders and
9 directives as may be necessary or appropriate for the interpretation, modification, or
10 enforcement of this Order. If the FTC is able to show that defendants have failed to
11 disclose assets or failed to make a good faith effort to produce information regarding
12 their customers, it may seek a forfeiture of all funds remaining in the account as a
13 sanction for failure to comply with this Order.

14 On or about March 11, 2005, the FTC shall file a status report of not more than
15 twelve pages setting forth the chosen method of distribution, the progress it has made
16 and/or any difficulties it is having in identifying injured consumers, what percentage of
17 the funds have been distributed, what further orders or directives of the Court are
18 necessary to redress consumer injury, and any other information that is relevant to the
19 enforcement of this Order. Defendants may, on or before March 24, 2005, file responses
20 of not more than twelve pages. The Clerk of Court is directed to note a "Status Report"
21 on the Court's calendar for Friday, March 25, 2005.

22 23 **IV. Other Provisions**

24 The "Stipulated Permanent Injunction" between the FTC and defendants Ian
25 Eisenberg, French Dreams, and Olympic Telecommunications and signed by this Court

26
27 ⁴ Although the FTC has raised the possibility of "consumer information remedies," there
28 does not appear to be any information that needs to be distributed to consumers in an effort to
undue the false impressions created by defendants' marketing scheme. Thus, the type of
corrective advertising sanctioned in Figgie International is not appropriate here and the Court
declines to authorize the type of "consumer beware" campaign mentioned at trial.

1 on October 20, 2000, is affirmed, except as follows: Sections VIII (Distribution of
2 Order by Defendants), IX (Record Keeping Provisions), X (Compliance Reporting by
3 Defendants) and XI (Commission's Authority to Monitor Compliance) of the Stipulated
4 Permanent Injunction are extended so that the period covered by these sections
5 commences to run with the entry of this Order.

6 The "Stipulated Permanent Injunction as to Chris Hebard and Coto Settlement",
7 and signed by this Court on October 20, 2000, is affirmed, except as follows: Sections
8 VIII (Distribution of Order by Defendants), IX (Record Keeping Provisions), X
9 (Compliance Reporting by Defendants), XI (Commission's Authority to Monitor
10 Compliance), and XII (Access to Business Premises) of the Stipulated Permanent
11 Injunction are extended so that the period covered by these sections commences to run
12 with the entry of this Order.

13 Within five (5) business days of receipt of this Order, each defendant shall submit
14 to the FTC a sworn statement, in the form shown on Attachment B, acknowledging
15 receipt of this Order.

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17 Dated this 17th day of March, 2004.

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20 Robert S. Lasnik
21 United States District Judge
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ATTACHMENT A

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ORDER REGARDING AMOUNT OF CONSUMER
INJURY AND METHOD OF REDRESS

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
3. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
5. Type or print legibly.
6. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION**Item 1. General Information**

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

Name & Address

% Owned

Item 5. Board Members

List all members of the corporation's Board of Directors.

Name & Address

% Owned

Term (From/Until)

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

Name & Address

% Owned

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

Name & Address

Business Activities % Owned

State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

Individual's Name

Business Name & Address

Business Activities % Owned

State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

Name and Address

Relationship

Business Activities

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>

Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities "held by the corporation," include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	


Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 17 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____			
<u>Receivables</u>	\$ _____			

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation's Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
			\$ _____
			\$ _____
			\$ _____
			\$ _____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
		\$
		\$
		\$
		\$
		\$
		\$
		\$

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____

Address _____ Telephone No. _____

Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

Name of Credit Card or Store

Names of Authorized Users and Positions Held

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$		
		\$		
		\$		
		\$		
		\$		

Item 32. Documents Attached to the Financial Statement

List all documents that are being submitted with the financial statement.

<u>Item No. Document</u> <u>Relates To</u>	<u>Description of Document</u>

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature

Corporate Position

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. "Dependents" include your live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621);
or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. Information About You

Your Full Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____ Drivers License No. _____

Current Address _____ From (Date) _____

Rent or Own? _____ Telephone No. _____ Facsimile No. _____

E-Mail Address _____ Internet Home Page _____

Previous Addresses for past five years:

Address _____ Rent or Own? _____ From/Until _____

Address _____ Rent or Own? _____ From/Until _____

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used _____

Item 2. Information About Your Spouse or Live-In Companion

Spouse/Companion's Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used _____

Address (if different from yours) _____

From (Date) _____ Rent or Own? _____ Telephone No. _____

Employer's Name and Address _____

Job Title _____ Years in Present Job _____ Annual Gross Salary/Wages \$ _____

Item 3. Information About Your Previous Spouse

Previous Spouse's Name & Address _____

_____ Social Security No. _____ Date of Birth _____

Item 4. Contact Information

Name & Address of Nearest Living Relative or Friend _____
 _____ Telephone No. _____

Item 5. Information About Dependents Who Live With You

•Name _____ Date of Birth _____
 Relationship _____ Social Security No. _____
 •Name _____ Date of Birth _____
 Relationship _____ Social Security No. _____
 •Name _____ Date of Birth _____
 Relationship _____ Social Security No. _____

Item 6. Information About Dependents Who Do Not Live With You

•Name & Address _____
 Date of Birth _____ Relationship _____ Social Security No. _____
 •Name Address _____
 Date of Birth _____ Relationship _____ Social Security No. _____
 •Name & Address _____
 Date of Birth _____ Relationship _____ Social Security No. _____

Item 7. Employment Information

Provide the following information for this year-to-date and for each of the previous five full years, for each company of which you were a director, officer, employee, agent, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, draws, consulting fees, loans, loan payments, dividends, royalties or other benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

•Company Name & Address _____
 Dates Employed: From (Month/Year) _____ To (Month/Year) _____
 Positions Held with Beginning and Ending Dates _____

Item 7. continued

Income Received: This year-to-date: \$ _____ : \$ _____

20 _____ : \$ _____ : \$ _____

_____ : \$ _____ : \$ _____

•Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____

20 _____ : \$ _____ : \$ _____

_____ : \$ _____ : \$ _____

•Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____

20 _____ : \$ _____ : \$ _____

_____ : \$ _____ : \$ _____

Item 8. Pending Lawsuits Filed by You or Your Spouse

List all pending lawsuits that have been filed by you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 9. Pending Lawsuits Filed Against You or Your Spouse

List all pending lawsuits that have been filed against you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 10. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. *On a separate page, describe the contents of each box.*

Owner's Name

Name & Address of Depository Institution

Box No.

Item 11. Business Interests

List all businesses for which you, your spouse, or your dependents are an officer or director.

•Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

•Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

•Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

FINANCIAL INFORMATION: ASSETS AND LIABILITIES

REMINDER: "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.

Item 12. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held For Your Benefit \$ _____

<u>Name on Account</u>	<u>Name & Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 13. U.S. Government Securities

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

Item 14. Publicly Traded Securities and Loans Secured by Them

List all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

► Issuer _____ Type of Security _____ No. of Units Owned _____

Name on Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

► Issuer _____ Type of Security _____ No. of Units Owned _____

Name on Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

Item 15. Other Business Interests

List all other business interests, including but not limited to, non-public corporations, subchapter-S corporations, limited liability corporations ("LLCs"), general or limited partnership interests, joint ventures, sole proprietorships, and oil and mineral leases, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

► Business Format _____ Business' Name & Address _____

_____ Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

► Business Format _____ Business' Name & Address _____

_____ Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

Item 16. Monetary Judgments or Settlements Owed to You, Your Spouse, or Your Dependents

List all monetary judgments or settlements owed to you, your spouse, or your dependents.

► Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

► Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 17. Other Amounts Owed to You, Your Spouse, or Your Dependents

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. _____

Original Amount Owed \$ _____ Current Amount Owed \$ _____ Monthly Payment \$ _____

Item 18. Life Insurance Policies

List all life insurance policies held by you, your spouse, or your dependents.

• Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

• Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

Item 19. Deferred Income Arrangements

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, and other retirement accounts, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

• Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

• Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

Item 20. Personal Property

List all personal property, by category, whether held for personal use or for investment, including but not limited to, furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Property Category</u> (e.g., artwork, jewelry)	<u>Name of Owner</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

Item 21. Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

• Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

• Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 21. Continued

• Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 22. Real Property

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

• Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____

Basis of Valuation _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

• Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____

Basis of Valuation _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Credit Cards

List each credit card held by you, your spouse, or your dependents. Also list any other credit cards that you, your spouse, or your dependents use.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____

Item 24. Taxes Payable

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	

Item 25. Judgments or Settlements Owed

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Item 26. Other Loans and Liabilities

List all other loans or liabilities in your, your spouse's, or your dependents' names.

Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

OTHER FINANCIAL INFORMATION**Item 27. Tax Returns**

List all federal tax returns that were filed during the last three years by or on behalf of you, your spouse, or your dependents. *Provide a copy of each signed tax return that was filed during the last three years.*

<u>Tax Year</u>	<u>Name(s) on Return</u>	<u>Refund Expected</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 28. Applications for Credit

List all applications for bank loans or other extensions of credit that you, your spouse, or your dependents have submitted within the last two years. *Provide a copy of each application, including all attachments.*

<u>Name(s) on Application</u>	<u>Name & Address of Lender</u>
_____	_____
_____	_____
_____	_____

Item 29. Trusts and Escrows

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity. *Provide copies of all executed trust documents.*

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
				\$ _____
				\$ _____
				\$ _____
				\$ _____
				\$ _____

Item 30. Transfers of Assets

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

SUMMARY FINANCIAL SCHEDULES**Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____	<u>Other Liabilities (Itemize)</u>	
Deferred Income Arrangements (Item 19)	\$ _____	_____	\$ _____
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Assets	\$ _____	Total Liabilities	\$ _____

List all documents that are being submitted with this financial statement.

<u>Item No.</u>	<u>Document</u>	<u>Relates To</u>
1	100-444910-101	100-444910-101
2	100-444910-102	100-444910-102
3	100-444910-103	100-444910-103
4	100-444910-104	100-444910-104
5	100-444910-105	100-444910-105
6	100-444910-106	100-444910-106
7	100-444910-107	100-444910-107
8	100-444910-108	100-444910-108
9	100-444910-109	100-444910-109
10	100-444910-110	100-444910-110
11	100-444910-111	100-444910-111
12	100-444910-112	100-444910-112
13	100-444910-113	100-444910-113
14	100-444910-114	100-444910-114
15	100-444910-115	100-444910-115
16	100-444910-116	100-444910-116
17	100-444910-117	100-444910-117
18	100-444910-118	100-444910-118
19	100-444910-119	100-444910-119
20	100-444910-120	100-444910-120
21	100-444910-121	100-444910-121
22	100-444910-122	100-444910-122
23	100-444910-123	100-444910-123
24	100-444910-124	100-444910-124
25	100-444910-125	100-444910-125
26	100-444910-126	100-444910-126
27	100-444910-127	100-444910-127
28	100-444910-128	100-444910-128
29	100-444910-129	100-444910-129
30	100-444910-130	100-444910-130
31	100-444910-131	100-444910-131
32	100-444910-132	100-444910-132
33	100-444910-133	100-444910-133
34	100-444910-134	100-444910-134
35	100-444910-135	100-444910-135
36	100-444910-136	100-444910-136
37	100-444910-137	100-444910-137
38	100-444910-138	100-444910-138
39	100-444910-139	100-444910-139
40	100-444910-140	100-444910-140
41	100-444910-141	100-444910-141
42	100-444910-142	100-444910-142
43	100-444910-143	100-444910-143
44	100-444910-144	100-444910-144
45	100-444910-145	100-444910-145
46	100-444910-146	100-444910-146
47	100-444910-147	100-444910-147
48	100-444910-148	100-444910-148
49	100-444910-149	100-444910-149
50	100-444910-150	100-444910-150
51	100-444910-151	100-444910-151
52	100-444910-152	100-444910-152
53	100-444910-153	100-444910-153
54	100-444910-154	100-444910-154
55	100-444910-155	100-444910-155
56	100-444910-156	100-444910-156
57	100-444910-157	100-444910-157
58	100-444910-158	100-444910-158
59	100-444910-159	100-444910-159
60	100-444910-160	100-444910-160
61	100-444910-161	100-444910-161
62	100-444910-162	100-444910-162
63	100-444910-163	100-444910-163
64	100-444910-164	100-444910-164
65	100-444910-165	100-444910-165
66	100-444910-166	100-444910-166
67	100-444910-167	100-444910-167
68	100-444910-168	100-444910-168
69	100-444910-169	100-444910-169
70	100-444910-170	100-444910-170
71	100-444910-171	100-444910-171
72	100-444910-172	100-444910-172
73	100-444910-173	100-444910-173
74	100-444910-174	

Description of Document

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature _____

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ATTACHMENT B

ORDER REGARDING AMOUNT OF CONSUMER
INJURY AND METHOD OF REDRESS

1
2
3 **UNITED STATES DISTRICT COURT**
4 **FOR THE WESTERN DISTRICT OF WASHINGTON**
5

6 **FEDERAL TRADE COMMISSION,**

7
8 **Plaintiff,**

Case No. C00-1806-L

9 **v.**

10
11 **CYBERSPACE.COM, LLC, et al,**

12
13 **Defendants.**
14

15 **AFFIDAVIT OF DEFENDANT**

16 _____, being duly sworn, hereby states and affirms as
17 follows:
18

- 19 1. My name is _____. I am the _____ of _____
20 _____ . I am authorized to execute this affidavit.
21
22 2. _____ is a defendant in *FTC v. Cyberspace.com, et al.*,
23 which has been filed in the Western District of Washington.
24
25 3. On _____, I received, on behalf of _____ a
26 copy of the Order, which was signed by the Honorable Robert Lasnik and entered
27 by the Court on _____, 2003. A true and correct copy of the
28 Order I received is appended to this Affidavit.

ORDER REGARDING AMOUNT OF CONSUMER
INJURY AND METHOD OF REDRESS

1 I declare under penalty of perjury under the laws of the United States that the
2 foregoing is true and correct.

3
4 _____
5
6 Subscribed and sworn to before me this ____ day of _____, 2003.

7
8 _____
9 Notary Public

10
11 My Commission expires _____
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